CABLE FRANCHISE

This Cable Franchise ("Franchise") is entered into in Normandy Park, Washington, this 13th day of April, 2007, by and between the City of Normandy Park, Washington, a municipal corporation, (hereinafter "City") and Comcast of Washington IV, Inc. (hereinafter "Grantee"). The City and Grantee are sometimes referred to hereinafter collectively as the "parties."

WHEREAS, the City has reviewed Grantee's performance under the prior franchise and the quality of service during the prior franchise term, has identified the future cable-related needs and interests of the City and its citizens, and has determined that Grantee's plans for operating and maintaining its Cable System are adequate; and

WHEREAS, the public has had adequate notice and opportunity to comment on this Franchise during a public proceeding; and

WHEREAS, the City has a legitimate and necessary regulatory role in ensuring the availability of state-of-the-art cable communications service, the high technical capability and reliability of a cable system in the Franchise Area, the availability of local programming and quality customer service; and

WHEREAS, diversity in Cable Service is an important policy goal and the Grantee's Cable System should offer a broad range of programming services; and

WHEREAS, flexibility to respond to changes in technology and Subscriber interests within the Cable Service market should be an essential characteristic of this Franchise; and

WHEREAS, the City is authorized by applicable law to grant one or more nonexclusive franchises to construct, operate and maintain a cable system within the boundaries of the City.

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Grantee do hereby agree as follows:

SECTION 1. DEFINITIONS

For the purposes of this Franchise, the following terms, phrases, words and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory.

1.1 **"Access"** means the availability for Non-Commercial use by various governmental and educational agencies, institutions and organizations in the community, including the City and its designees, of a particular Channel on the Cable System to distribute programming to Subscribers, as permitted under applicable law and this Franchise.

(A) **"Educational Access"** means Access where Schools are the primary users having editorial control over programming and services.

(B) **"Government Access"** means Access where governmental institutions or their designees are the primary users having editorial control over programming and services.

1.2 **"Access Channel"** means a Channel designated for Access purposes or otherwise made available to facilitate or transmit Access programming.

1.3 **"Affiliate"** when used in connection with Grantee means any Person who owns or controls, is owned or controlled by, or is under common ownership or control with Grantee.

1.4 **"Bad Debt"** means amounts lawfully owed by a Subscriber and accrued as revenues on the books of Grantee, but not collected after reasonable efforts by Grantee.

1.5 **"Basic Service"** means the lowest Tier of Cable Service that includes, at a minimum, the retransmission of local television Broadcast Signals and Access programming.

1.6 **"Broadcast Signal"** means a television or radio signal transmitted over the air to a wide geographic audience, and received by an antenna, microwave, satellite dishes or any other means.

1.7 **"Cable Act"** means the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, and any amendments thereto.

1.8 **"Cable Operator"** means any Person or groups of Persons, including Grantee, who provides Cable Service over the Cable System and directly or through one or more Affiliates owns a significant interest in such Cable System or who otherwise control(s) or is(are) responsible for, through any arrangement, the management and operation of such a Cable System.

1.9 **"Cable Service"** means the one-way transmission to Subscribers of Video Programming, or other programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other programming service.

1.10 **"Cable System"** means the Grantee's facility in the Franchise Area, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within a community, but such term does not include (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) a facility that serves Subscribers without using any public Right-of-Way; (3) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the federal Communications Act (47 U.S.C. 201 et seq.), except that such facility shall be considered a Cable System (other than for purposes of 47 U.S.C. 541(c)) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (4) an open video system that complies with 47 U.S.C. 573; or (5) any facilities of any electric utility used solely for operating its electric utility systems.

1.11 "Channel" means a portion of the frequency band capable of carrying a Video Programming Service, an audio service or a combination of Video Programming services and audio services, whether delivered in an analog or digital format.

1.12 "City" means the City of Normandy Park, Washington, a municipal corporation.

1.13 "Complaint" means a Subscriber contact with the Grantee to express a grievance or dissatisfaction concerning Cable Service. Complaints do not include matters not within the regulatory control of the City. A Complaint may be verbal or in writing but need not include initial contacts where an issue is promptly resolved to the Subscriber's satisfaction.

1.14 "Designated Access Provider" means the entity or entities designated by the City to manage or co-manage the Access Channel and facilities. The City may also be a Designated Access Provider.

1.15 "Dwelling Unit" means any residential building, or each portion thereof that has independent living facilities, including provisions for cooking, sanitation and sleeping and that is designed for residential occupancy. Buildings containing more than one set of facilities for cooking are multiple unit buildings unless the additional facilities are clearly accessory.

1.16 "Expanded Basic Service" means cable programming services not included in the Basic Service and excluding, for example, premium or Pay-Per-View Services.

1.17 "FCC" means the Federal Communications Commission or its lawful successor.

1.18 "Franchise" means this document, a contractual agreement, and any amendments and modifications thereto executed between the City and Grantee, containing the specific provisions of the authorization granted to operate a Cable System in the City.

1.19 "Franchise Area" means the area within the jurisdictional boundaries of the City, including any areas annexed by the City during the term of this Franchise.

1.20 "Gross Revenues" means all revenue derived directly or indirectly by the Grantee, or by Grantee's Affiliates, from the operation of Grantee's Cable System to provide Cable Services in the Franchise Area. Gross Revenues include, by way of illustration and not limitation, monthly fees charged Subscribers for Cable Services including Basic Service and all other Tiers of Cable Service; Pay-Per-View Service; Cable Service installation, disconnection, change-in-service and reconnection fees, Leased Access Channel fees, late fees, payments received by the Grantee from programmers for carriage of Cable Services on the Cable System and recognized as revenue under generally accepted accounting principles ("GAAP"), revenues from rentals of Cable System equipment such as converters; advertising revenues; advertising sales commissions if recognized as revenue under GAAP; additional outlet fees, Franchise Fees, and revenues from home shopping Channels. Gross Revenues shall not include (i) Bad Debt, provided, however, that all or part of any such Bad Debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; (ii) the capital advance and Capital Contribution referenced in subsections 9.5

and 9.6; or (iii) any taxes on services furnished by the Grantee which are imposed directly on any Subscriber or user by the State, City or other governmental unit and which are collected by the Grantee on behalf of said governmental unit. The Franchise Fees are not such a tax and are therefore included in Gross Revenues.

1.21 "Headend" means Grantee's primary facility for signal reception and dissemination on the Cable System, including cables, antennas, wires, satellite dishes, monitors, switchers, modulators, processors and other related equipment.

1.22 "Leased Access Channel" means any Channel or portion of a Channel commercially available for programming in accordance with Section 612 of the Cable Act.

1.23 "Non-Commercial" means, in the context of the Access Channel, that particular products and services are not promoted or sold for commercial gain. This term will not be interpreted to prohibit an Access Channel operator or programmer from soliciting and receiving financial support to produce and transmit Video Programming on an Access Channel, or from acknowledging a contribution.

1.24 "Pay-Per-View Service" means programming offered on a per-program or per-event basis for which a separate fee is charged.

1.25 "Person" means any individual, partnership, association, joint stock company, trust, corporation, governmental entity (but shall not mean the City) or other entity.

1.26 "Right-of-Way" or **"Rights-of-Way"** means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle or other public Right-of-Way, including, but not limited to, utility easements, dedicated utility strips, or Rights-of-Way dedicated for compatible uses now or hereafter held by the City in the Franchise Area, which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing, upgrading and maintaining the Cable System. Right-of-Way shall also mean any easement now or hereafter held by the City within the Franchise Area for the purpose of public travel or for utility or public service use dedicated for compatible uses.

1.27 "School" means any State accredited public educational institution including, for example, primary and secondary Schools (K-12).

1.28 "State" means the State of Washington.

1.29 "Subscriber" means any Person who lawfully receives Cable Service provided by Grantee by means of the Cable System and whose premises are physically wired and lawfully activated to receive Cable Service from Grantee's Cable System.

1.30 "Tier" means a group of Channels for which a separate periodic rate is charged.

1.31 "Video Programming" means programming provided by, or generally considered comparable to programming provided by, cable programmers or a television broadcast station.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) The City hereby grants to Grantee a nonexclusive Franchise authorizing the Grantee to construct and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Rights-of-Way within the Franchise Area, and for that purpose to install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Right-of-Way such wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment and use existing poles as may be necessary or appurtenant for the deployment of Cable Services over the Cable System. This Franchise shall constitute both a right to provide the Cable Services required by, and to fulfill the obligations set forth in, the provisions of this Franchise.

(B) Grantee, through this Franchise, is granted the right to operate its Cable System using the Rights-of-Way within the Franchise Area. Such use must be in compliance with all lawfully enacted and applicable Municipal Code provisions. In the event of a conflict between the Municipal Code and this Franchise, this Franchise shall control subject to the City's exercise of the police powers set forth below. Subject to federal and State preemption, the material terms and conditions contained in this Franchise may not be unilaterally altered by the City through subsequent amendments to any ordinance, regulation, resolution or other enactment of the City, except within the lawful exercise of the City's police power. Grantee has the right to challenge any City ordinance or regulation that conflicts with its rights under this Franchise. Grantee acknowledges that its rights hereunder are subject to the police powers of the City to adopt and enforce ordinances necessary to protect the health, safety and welfare of the public, and Grantee agrees to comply with all applicable laws and ordinances enacted by the City pursuant to such power so long as the same do not unduly discriminate against Grantee.

(C) This Franchise shall not be interpreted to prevent the City from lawfully imposing additional conditions, including additional compensation conditions for use of the Rights-of-Way, should Grantee provide service other than Cable Service.

(D) Grantee guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of the Grantee offering Cable Service in the Franchise Area, or directly involved in the management or operation of the Cable System in the Franchise Area, will also comply with the terms and conditions of this Franchise.

(E) No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

(1) Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City;

(2) Any permit, agreement or authorization required by the City for Rights-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits; or

(3) Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing devices on poles, in conduits or in or on other structures.

(F) This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which the City has an actual interest. It is not a warranty of title or interest in any Rights-of-Way; it does not provide the Grantee with any interest in any particular location within the Rights-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

(G) This Franchise expressly authorizes Grantee to provide only Cable Services as allowed by applicable law, and to construct, operate or maintain Cable System facilities in the Franchise Area. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City an authorization to provide non-Cable Services or relieve Grantee of its obligation to comply with any such authorization(s) that may be lawfully required. However, this Franchise shall not be read as a concession by the Grantee that it needs authorization to provide non-Cable Services.

2.2 Use of Rights-of-Way

Within parameters reasonably related to the City's role in protecting the public health, safety and welfare, the City may require that Cable System facilities be installed at a particular time, at a specific place or in a particular manner as a condition of access to a particular Right-of-Way and may deny access if Grantee is not willing to comply with the City's requirements.

2.3 Duration

The term of this Franchise and all rights, privileges, obligations and restrictions pertaining hereto shall be five (5) years from the effective date of this Franchise, unless terminated or extended as hereinafter provided.

2.4 Effective Date

(A) This Franchise and the rights, privileges, and authority granted hereunder and the contractual relationship established hereby shall take effect and be in force from and after the effective date of this Franchise.

(B) The effective date of this Franchise shall commence April 13th, 2007 and run through midnight of April 12th, 2012. At the expiration of the initial term, the City may offer to extend this Franchise for an additional term of five (5) years by giving written notice to the Grantee, provided that there has not been a change in federal or State law which negatively impacts the City's ability to extend this Franchise. This Franchise may be extended for such additional term of five (5) years, subject to the written agreement of both parties.

(C) The grant of this Franchise shall have no effect on the Grantee's duty under the prior franchise to indemnify or insure the City against acts and omissions occurring during the period that

the prior franchise was in effect, nor shall it have any effect upon Grantee's liability to pay all franchise fees which were due and owed under the prior franchise.

2.5 Franchise Nonexclusive

This Franchise shall be nonexclusive, and subject to all prior rights, interests, easements, permits or licenses granted by the City to any Person to use any property for any purpose whatsoever, including the right of the City to use the same for any purpose it deems fit, including the same or similar purposes allowed Grantee hereunder. The City may at any time grant authorization to use the Rights-of-Way for any purpose not incompatible with Grantee's authority under this Franchise and for such additional franchises for cable systems as the City deems appropriate.

2.6 Effect of Acceptance

By accepting the Franchise, the Grantee: (1) acknowledges and accepts the City's legal right to issue and enforce the Franchise; (2) agrees that it will not oppose the City's intervening, to the extent that the City is legally entitled to do so, in any legal or regulatory proceeding affecting the Cable System; (3) accepts and agrees to comply with each and every provision of this Franchise; and (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

2.7 Grant of Other Franchises

In the event the City enters into a franchise with any Person other than the Grantee to use the Rights-of-Way for the purpose of constructing or operating a cable system or providing Cable Service to any part of the Franchise Area in which the Grantee is providing Cable Service under the terms and conditions of this Franchise, the terms and conditions thereof, taken as a whole, shall be substantially similar and neither more favorable nor less burdensome to such Person than those contained herein in order that one cable provider not be granted an unfair competitive advantage over another.

In furtherance of the foregoing, the City and Grantee recognize and acknowledge that other cable franchises granted by the City might contain provisions and conditions that are different than the provisions and conditions that the Grantee has negotiated and accepted in this Franchise. Nothing in this Franchise shall be construed so as to require identical provisions and conditions in other cable franchises granted by the City.

SECTION 3. FRANCHISE FEES AND FINANCIAL CONTROLS

3.1 Franchise Fees

As compensation for the use of the City's Rights-of-Way, Grantee shall pay as a franchise fee to the City, throughout the duration of this Franchise, an amount equal to five percent (5%) of Grantee's Gross Revenues. Accrual of such franchise fees shall commence as of the effective date of this Franchise.

3.2 Payments

Grantee's franchise fee payments to the City shall be computed quarterly for the preceding quarter. Each payment shall be due and payable no later than thirty (30) days after the end of the preceding quarter, after which time interest will accrue. The quarters shall end respectively on the last day of March, June, September and December.

3.3 Acceptance of Payment

No acceptance of any payment shall be construed as an accord by the City that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the City may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Franchise Fee Reports

Each payment shall be accompanied by a written report to the City, verified by an authorized representative of Grantee, containing an accurate statement in summarized form which includes a breakdown by category of Grantee's Gross Revenues and the computation of the payment amount.

3.5 Audits

Upon forty-five (45) days prior written notice, the City shall have the right to conduct an annual independent audit of Grantee's records necessarily related to the enforcement of this Franchise and to recompute any amounts determined to be payable under this Franchise. If Grantee cooperates in making all relevant records available to the City, the City will attempt to complete each audit within six (6) months, and the audit period shall be no greater than the previous three (3) years, unless the City has information relating to previous years beyond the three (3) years which raises doubt as to the accuracy of payments made under this or previous franchises, in which case an additional three (3) years may be audited. Any undisputed amounts due to the City as a result of the audit shall be paid within sixty (60) days following written notice to the Grantee by the City, which notice shall include a copy of the audit findings. If the audit shows that franchise fees have been underpaid by five percent (5%) or more in any calendar year, Grantee shall pay for the cost of the audit up to fifteen thousand dollars ($15,000) for the first year of the audit period and seven thousand five hundred dollars ($7,500) for each year thereafter.

If Grantee disputes all or part of the audit findings, then the parties shall meet in an attempt to resolve the matter. If the parties are unable to resolve the matter, then that matter may be referred to non-binding arbitration by either of the parties. Each party shall bear one-half of the costs and expenses of the arbitration proceedings. The decision of the arbitrator(s) shall be subject to judicial review at the request of either party.

3.6 Financial Records

Grantee agrees to meet with a representative of the City upon request to review Grantee's methodology of record-keeping, financial reporting, the computing of franchise fee obligations and other procedures, the understanding of which the City deems necessary for reviewing reports and records that are relevant to the enforcement of this Franchise.

3.7 Late Payments

In the event any payment due the City is not timely made, Grantee shall pay, in addition to the amount due, interest at the rate of twelve percent (12%) per annum from the payment due date until the City receives the payment.

3.8 Underpayments

If a franchise fee underpayment is discovered as the result of an audit, Grantee shall pay, in addition to the amount due, interest at the rate of twelve percent (12%) per annum calculated from the date the underpayment was originally due until the date the City receives the payment.

3.9 Maximum Franchise Fees

The parties acknowledge that, at present, applicable federal law limits the City to collecting a franchise fee of five percent (5%) of Gross Revenues in a 12-month period. In the event that at any time throughout the term of this Franchise, the City is authorized to collect an amount in excess of or less than five percent (5%) of Gross Revenues, then this Franchise shall be amended by the parties consistent with such change.

3.10 Additional Commitments Not Franchise Fees

No term or condition in this Franchise shall in any way modify or affect Grantee's obligation to pay franchise fees. Although the total sum of franchise fee payments and additional commitments set forth elsewhere in this Franchise may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, Grantee agrees that the additional commitments herein are not franchise fees, nor are they to be offset or credited against any franchise fee payments due to the City, nor do they represent an increase in franchise fees to be passed through to Subscribers.

3.11 Alternative Compensation

In the event the obligation of Grantee to compensate the City through franchise fee payments is lawfully suspended or eliminated, in whole or part, then Grantee shall pay to the City such compensation as is required by law.

3.12 Payment on Termination

If this Franchise terminates for any reason, the Grantee shall file with the City within ninety (90) days of the date of the termination, a financial statement, prepared by a certified public accountant, showing the Gross Revenues received by the Grantee since the end of the previous fiscal year. Within thirty (30) days of the filing of the statement with the City, Grantee shall pay any unpaid franchise fee amounts as indicated. If the Grantee fails to pay its remaining financial obligations as required in this Franchise, the City may satisfy the same by utilizing the funds from any security provided by the Grantee.

3.13 Tax Liability

The franchise fees shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by businesses in general by any law of the City, the State or the United States including, without limitation, sales, use, utility, occupation and other taxes, business license fees or other payments. Payment of the franchise fees under this Franchise shall not exempt Grantee from the payment of any other license fee, permit fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by the City.

3.14 Bundling of Cable and Non-Cable Services

In no event will the Grantee unlawfully evade or reduce applicable franchise fee payments required to be made to the City due to discounted bundled services. Customer billing shall be itemized by

service(s), and Grantee shall comply with all applicable laws regarding rates for Cable Services and all applicable laws covering issues of cross subsidization.

SECTION 4. ADMINISTRATION AND REGULATION

4.1 Authority

The City shall be vested with the power and right to administer and enforce the requirements of this Franchise and the regulations and requirements of applicable law, including the Cable Act, or to delegate that power and right, or any part thereof, to the extent permitted under law, to any agent in the sole discretion of the City.

The Grantee and the City shall be entitled to all rights and be bound by all changes in local, State and federal law that occur subsequent to the effective date of this Franchise. The Grantee and the City acknowledge that their rights and obligations under this Franchise are explicitly subject to all such changes.

4.2 Rate Regulation

All of Grantee's rates and charges related to or regarding Cable Services shall be subject to regulation by the City to the full extent authorized by applicable federal, State and local laws.

4.3 No Rate Discrimination

All of Grantee rates and charges shall be published (in the form of a publicly-available rate card), and shall be nondiscriminatory for all Persons of similar classes, under similar circumstances and conditions. Nothing herein shall be construed to prohibit:

(A) The temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns;

(B) The offering of reasonable discounts to similarly situated Persons; or

(C) The offering of bulk discounts for Multiple Dwelling Units.

4.4 Low Income Discount

The Grantee shall offer a discount to those individuals who are low income (according to applicable federal guidelines) and either permanently disabled or 65 years of age or older and who are the legal owners or tenants of the Dwelling Unit. Such discounts will consist of thirty percent (30%) off of Basic Service or the Basic Service portion of Expanded Basic Service when not discounted by inclusion in other promotional or programming package rates, at which time the promotional or programming package rate will apply. Grantee has voluntarily initiated this discount program and will make it available throughout the term of this Franchise.

The City, its designee, or Grantee, at the City's discretion, will be responsible for determining an individual's eligibility under this program.

4.5 Performance Evaluations

(A) Upon written notification, the City may hold performance evaluation sessions whenever necessary to ensure proper performance of the provisions of this Franchise.

(B) All evaluation sessions shall be open to the public.

(C) Topics which may be discussed at any evaluation session include, but are not limited to, Subscriber figures for each classification of service, construction issues, Cable Service rate structures, franchise fee payments, liquidated damages, free or discounted Cable Service, application of new technologies, Cable System performance, Cable Services currently provided and programming offered, future plans of Grantee for new services or programs, Subscriber Complaints, privacy, modifications to this Franchise, judicial and FCC rulings, line extension policies and the City's or Grantee's rules; provided that nothing in this subsection shall be construed as requiring the renegotiation of this Franchise.

(D) During evaluations under this subsection, Grantee shall fully cooperate with the City and shall provide such information and documents as the City may reasonably require to perform the evaluation.

4.6 Leased Access Channel Rates

Grantee shall offer Leased Access Channel capacity on such terms and conditions and rates as may be negotiated with each lessee, subject to the requirements of Section 612 of the Cable Act. Upon request, Grantee shall provide a complete schedule of current rates and charges for any and all Leased Access Channels or portions of such Channels.

4.7 Late Fees

(A) For purposes of this subsection, any assessment, charge, cost, fee or sum, however characterized, that the Grantee imposes upon a Subscriber solely for late payment of a bill is a late fee and shall be applied in accordance with applicable local, State and federal laws.

(B) The Grantee's late fee and disconnection policies and practices shall be nondiscriminatory, and such policies and practices, and any fees imposed pursuant to this subsection, shall apply equally in all parts of the City without regard to the neighborhood or income level of the Subscribers.

4.8 Reserved Authority

The City reserves all of its rights and authority arising from the Cable Act and any other relevant provisions of federal, State or local laws.

4.9 Time Limits Strictly Construed

Whenever this Franchise sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a breach of this Franchise.

SECTION 5. INDEMNIFICATION AND INSURANCE REQUIREMENTS

5.1 Indemnification

(A) General Indemnification. Grantee shall indemnify, defend and hold harmless the City, City Council, and any of the City's officers, officials, boards, commissions, agents and employees acting in an official capacity from any action, claim, damage, loss, liability, cost or expense, including court costs and attorneys' fees and expenses, arising from the death of or injury to any Person, casualty or accident to equipment or property, and all other damages arising out of, or by reason of, any construction, excavation, operation, maintenance, repair, reconstruction, relocation, upgrade, rebuild, upkeep or removal of the Cable System, by or for Grantee, its agents or employees, or by reason of any neglect or omission of Grantee, its agents or employees, except for injuries and damages caused by the sole negligence of the City.

(B) Procedures and Defense. The City shall give the Grantee written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this subsection 5.1. If a claim or action arises, the City or any other indemnified party shall then tender the defense of the claim to Grantee, which defense shall be at Grantee's expense. The City may participate in the defense of a claim and, in any event, Grantee may not agree to any settlement of claims financially affecting the City without the City's prior written approval which shall not be unreasonably withheld.

(C) Grantee's Duties. The fact that Grantee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Grantee's duties of defense and indemnification under this subsection 5.1.

(D) Other Counsel. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Grantee to represent the City, Grantee shall select additional counsel with no conflict with the City.

5.2 Insurance Requirements

(A) General Requirement. Grantee must have adequate insurance during the entire term of this Franchise to protect the City against claims for death or injuries to Persons or damages to property or equipment which in any way relate to, arise from or are connected with this Franchise, or involve Grantee, its agents, representatives, contractors, subcontractors and their employees.

(B) Minimum Insurance Limits. The Grantee shall maintain the following insurance limits:

(1) Commercial General Liability: $2,000,000 per occurrence, $2,000,000 general aggregate and $1,000,000 products/completed operations aggregate.

(2) Automobile Liability: $2,000,000 combined single limit.

(3) Workers Compensation Insurance limits in accordance with State law requirements.

(4) Excess or Umbrella Liability: $5,000,000 each occurrence and $5,000,000 policy limit.

(C) Endorsements.

(1) Commercial General Liability insurance policies are to contain, or be endorsed to contain, the following:

(a) The Grantee's insurance coverage shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Grantee's insurance and shall not contribute to it.

(b) The Grantee's insurance shall name the City as an additional insured.

(2) The insurance provided herein shall not be canceled or the limits reduced so as to be out of compliance with the requirements of this subsection 5.2 without thirty (30) days written notice, certified mail, return receipt requested, first being given to the City. If the insurance is canceled or reduced in coverage, Grantee shall provide a replacement policy.

(D) Acceptability of Insurers. The insurance obtained by Grantee shall be placed with insurers with a Best's rating of no less than "A VII".

(E) Verification of Coverage. The Grantee shall furnish the City with signed certificates of insurance and a copy of the amendatory endorsements, including, but not necessarily limited to, the additional insured endorsement, evidencing the Automobile Liability, Commercial General Liability and Umbrella or Excess insurance of the Grantee upon acceptance of this Franchise. The certificate for each insurance policy is to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificate for each insurance policy must be on standard forms or on such forms as are consistent with standard industry practices. The Grantee hereby warrants that its insurance policies satisfy the requirements of this Franchise.

(F) No Limitation. Grantee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Grantee or limit the liability of Grantee to the coverage provided in the insurance policies, or otherwise limit the City's recourse to any other remedy available at law or in equity.

5.3 Letter of Credit

(A) If there is an uncured breach by Grantee of a material provision of this Franchise or a pattern of repeated violations of any provision(s) of this Franchise, then Grantee shall, upon written request, establish and provide to the City, as security for the faithful performance by Grantee of all of the provisions of this Franchise, an irrevocable letter of credit from a local financial institution satisfactory to the City in the amount of fifteen thousand dollars ($15,000).

(B) If a letter of credit is furnished pursuant to subsection (A), the letter of credit shall then be maintained at that same amount throughout the remaining term of this Franchise.

(C) After the giving of notice to Grantee and expiration of any applicable cure period, the letter of credit may be drawn upon by the City for purposes including, but not limited to, the following:

(1) Failure of Grantee to pay the City sums due under the terms of this Franchise;

(2) Reimbursement of costs and expenses borne by the City to correct Franchise violations not corrected by Grantee; and

(3) Monetary remedies or damages assessed against Grantee as provided in this Franchise.

(D) Within ten (10) days following notice that a withdrawal from the letter of credit has occurred, Grantee shall restore the letter of credit to the full amount required by subsection (A). Grantee's maintenance of the letter of credit shall not be construed to excuse unfaithful performance by Grantee or limit the liability of Grantee to the amount of the letter of credit or otherwise limit the City's recourse to any other remedy available at law or in equity.

(E) Grantee shall first appeal to the City Council for reimbursement in the event Grantee believes that the letter of credit was drawn upon improperly. Thereafter, Grantee shall have the right of judicial appeal if Grantee believes the letter of credit has not been properly drawn upon in accordance with this Franchise.

5.4 Bonds

(A) Grantee shall provide to the City a faithful performance bond in the amount of fifty thousand dollars ($50,000) and obtain additional bonds on a project specific basis as required by the Municipal Code or regulations.

(B) Grantee's maintenance of the bond(s) shall not be construed to excuse unfaithful performance by Grantee, or limit the liability of Grantee to the amount of the bond(s), or otherwise limit the City's recourse to any other remedy available at law or in equity.

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

The City and Grantee recognize the importance of customer service in the grant of this Franchise. Grantee shall comply with customer service standards as the same may be adopted and amended from time to time by the City Council. Grantee reserves the right to challenge any customer service standard that it believes is inconsistent with its contractual rights granted pursuant to this Franchise or State or federal law.

6.2 Subscriber Privacy

Grantee will comply with privacy rights of Subscribers in accordance with federal, State and local laws.

SECTION 7. REPORTS AND RECORDS

7.1 Open Records

The City shall have access to, and the right to inspect, any books and records of Grantee and its Affiliates which are reasonably necessary to monitor and enforce Grantee's compliance with the provisions of this Franchise at the Grantee's regional business office, during normal business hours, and without unreasonably interfering with Grantee's business operations. The City may, in writing, request copies of any such records or books that are not identified as proprietary or confidential, and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One copy of all reports and records required under this or any other Section shall be furnished to the City at the sole expense of Grantee. If the requested books and records are too voluminous, or identified as proprietary and confidential, or for security reasons cannot be copied or removed, then the City shall inspect them at Grantee's regional office. If any books or records of Grantee are not kept in a regional office and not made available in copies to the City upon written request as set forth above, and if the City determines that an examination of such records is necessary for the enforcement of this Franchise, then all reasonable travel expenses incurred in making such examination shall be paid by Grantee.

7.2 Confidentiality

Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose books and records of any Affiliate of Grantee that is not providing Cable Service in the Franchise Area. The City agrees to keep confidential any proprietary or confidential books or records of Grantee to the extent permitted by law. Grantee shall be responsible for clearly and conspicuously identifying the records as confidential or proprietary, and shall provide a brief written explanation as to why such information is confidential or proprietary and how it may be treated as such under State or federal law. The Grantee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or State privacy law. For purposes of this subsection, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Grantee to be competitively sensitive. If the City receives a demand from any Person for disclosure of any information designated by Grantee as confidential, the City shall, so far as consistent with applicable law, advise Grantee and provide Grantee with a copy of any written request by the Person demanding access to such information within five (5) business days.

7.3 Maps and Records Required

Grantee shall provide to the City upon request:

(A) A route map that depicts the general location of the Cable System facilities placed in the Rights-of-Way. The route map shall identify Cable System facilities as aerial or underground and is not required to depict cable types, number of cables, electronic equipment, and service lines to individual Subscribers. The Grantee shall also provide, if requested, an electronic format of the aerial/underground facilities in relation to the Right-of-Way centerline reference to allow the City to add this information to the City's GIS program;

(B) A copy of all FCC filings which relate to the operation of the Cable System in the Franchise Area; and

(C) A list of Grantee's Cable Services, rates and Channel line-up.

7.4 Submittal of Documents

Upon written request, Grantee shall submit to the City a copy of any application, notification, communication or document of any kind, submitted by Grantee or its Affiliates to any federal, State or local courts, regulatory agencies and other governmental bodies if such document directly relates to the operations of Grantee's Cable System within the Franchise Area. Grantee shall submit such documents to the City no later than forty-five (45) days after receipt of the City's request. Grantee shall not claim confidential, privileged or proprietary rights to such documents unless under federal, State, or local law such documents have been determined to be confidential by a court of competent jurisdiction, or a federal or State agency.

7.5 Annual Reports

Upon request, thirty (30) days after the end of the first quarter, Grantee shall submit to the City a written report, which shall include the following information:

(A) The most recently completed annual corporate report;

(B) A Gross Revenue statement for the preceding fiscal year and all deductions and computations for the period, and such statement shall be reviewed by a certified public accountant, who may also be the chief financial officer or controller of Grantee;

(C) A summary of the previous year's activities regarding the development of the Cable System, including, but not limited to, homes passed, beginning and ending plant miles, any technological changes occurring in the Cable System and the number of Subscribers for each class of Cable Service (i.e., Basic, Expanded Basic Service, premium, etc.);

(D) A description of planned construction, if any, for the current year; and

(E) An executive summary of Subscriber Complaints received in the previous year.

7.6 False Statements

Any intentional false or misleading statement or representation in any report required by this Franchise shall be a material breach of this Franchise and may subject Grantee to all remedies, legal or equitable, which are available to the City under this Franchise or otherwise.

7.7 Failure to Report

The failure or neglect of Grantee to file any of the information required under this Franchise (not including clerical errors or errors made in good faith) may, at the City's option, be deemed a breach of this Franchise.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee shall provide at least the following initial broad categories of programming to the extent such categories are reasonably available:

(A) News, weather and information;

(B) Sports;

(C) General entertainment including movies;

(D) Children, family oriented;

(E) Arts, culture and performing arts; and

(F) Science/documentary.

8.2 Deletion of Broad Programming Categories

Grantee shall not delete or so limit as to effectively delete any broad category of programming within its control without prior written notice to the City.

8.3 Ascertainment of Customer Satisfaction

In the event Grantee conducts an ascertainment survey related to Franchise renewal under the guidelines of Section 626 of the Cable Act, Grantee agrees to provide, upon request, the results of said ascertainment survey to the City within thirty (30) days of the completion thereof.

8.4 Parental Control Device

Upon request by any Subscriber, Grantee shall make available a parental control or lockout device, trap or filter to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter. Such devices, traps or filters will be provided at no charge to the Subscriber, unless otherwise provided by federal law.

SECTION 9. ACCESS

9.1 Access Channel

For the purpose of meeting the community's need for Access programming, the Grantee shall make available one (1) Government Access Channel throughout the term of this Franchise. As of the effective date of this Franchise, the City is not controlling and operating said Government Access Channel. Nothing in this Franchise prevents the City from collaborating with another neighboring community or communities, serviced by the Grantee or its Affiliates, to facilitate the City's needs for Access programming. If such an arrangement is developed, the City may request in writing that the Grantee add the other community's Access Channel as the City's designated Government Access Channel, and Grantee will transmit the Access programming within a time agreed upon by both parties but in no event later than one hundred eighty (180) days. However, if the City opts to

control and operate its own Government Access Channel, upon receipt of forty-five (45) days written notice, the City and Grantee shall meet to discuss and mutually agree upon a reasonable implementation plan to activate said Channel, and Grantee will provide such Channel in no event later than two hundred seventy (270) days. Grantee will use good faith efforts to make available the Government Access Channel in advance of the established timeframes and provide monthly reports to the City on its progress.

The City acknowledges that the Grantee's Cable System provides additional benefits to Access programming needs beyond the requirements listed above. This is accomplished through the inclusion of other regional access programming within the regional channel line-up that services the Franchise Area. The Grantee will endeavor to provide the Subscribers in the Franchise Area with the other regional access channels so long as the programmers offer them for use on the Cable System.

In the event that the local School District can make available an adequate amount of educational programming, then the Grantee will use its best efforts to cablecast that programming on the regional educational access channel.

9.2 Management, Control and Connectivity of Access Channel

(A) The City may authorize Designated Access Providers to control, operate and manage the use of any and all Access facilities provided by Grantee under this Franchise, including, without limitation, the operation of the Access Channel. The City or its designee may formulate rules for the operation of the Access Channel, consistent with this Franchise.

(B) Regarding the City's and Designated Access Providers use of Access facilities and the Access Channel, Grantee shall fully cooperate with requests from the City, and provide all necessary assistance related thereto.

(C) As of the effective date of this Franchise, the Grantee shall maintain all existing fiber optic return line(s) to facilitate the City's current Access connectivity to Grantee's Headend and hubs. If the City desires to relocate or expand the fiber optic return line(s) to new location(s) over the term of this Franchise, upon one hundred twenty (120) days written request by the City and at the City's cost for Grantee's reasonable time and materials, the Grantee shall construct the requested new fiber optic return line(s).

9.3 Location and Quality of Access Channel

(A) The Access Channel provided to Subscribers under this Franchise shall be included by Grantee as a part of the Basic Service Tier or as otherwise provided by federal law.

(B) Grantee shall provide as much notice as possible but not less than sixty (60) days advance written notice to the City prior to any relocation of the Access Channel. In connection with the movement of the Access Channel to another Channel number, Grantee shall provide a bill message on subscribers' bills.

(C) The Access Channel shall have at least the same transmission quality as is used to carry any of the commercial Channels that deliver programming on the Cable System. The Grantee

shall provide Headend and hub equipment and routine maintenance and repair and replace, if necessary, any of Grantee's equipment required to carry the Access signal to and from the City's and any other Access origination point and the Grantee's Headend and hubs for the Access Channel.

(D) If Grantee makes a change in its Cable System and related equipment and facilities, or in its signal delivery technology, which directly or indirectly affects the signal quality or method or type of transmission of Access programming or services, Grantee shall take necessary technical steps and provide necessary technical assistance, including the acquisition of all necessary equipment up to the point of demarcation and full training of Access personnel, to ensure that the capabilities of the Access Channel and delivery of Access programming are not diminished or adversely affected by such change. For example, live and taped programming must be cablecast with as good or better signal quality than existed prior to such change.

9.4 Access Interconnections

Grantee acknowledges that it is the City's goal to further the community's needs and interests by providing for the interconnection of the Access Channel between the City and surrounding communities. Therefore, Grantee will implement Access Channel interconnections, at the cost of the City (such cost to be agreed upon by both parties prior to beginning of construction) which facilitate the sharing of Access programming between and among the City and surrounding (geographically nearby, but not necessarily contiguous) communities that are served by the Grantee's same Headend or hub. The City shall have the right to use any Access programming provided to it through an interconnection and approved for use by the interconnecting municipality. The Grantee shall not be required by the City to interconnect the Access Channel carried on Grantee's Cable System with those carried on a system of another cable operator with a franchise within the Franchise Area.

Additionally, the Grantee shall not be required by the City to interconnect the Access Channel with a newly authorized cable operator or a facilities based entity, legally authorized by State or federal law, who makes available for purchase by customers Cable Services within the Franchise Area without a franchise or other similar lawful authorization granted by the City.

9.5 Access Advance

If the City moves to operate the Government Access Channel and capital expenditures are required to facilitate Access programming, after forty-five (45) days receipt of the City's written request, the Grantee shall pay to the City a capital advance equal to $0.25 per Subscriber per month times thirty (30) months. If the City's request occurs after the Franchise's two and one-half year anniversary date, the Grantee shall pay the City a capital advance equal to $0.25 per Subscriber per month for the remaining term of the Franchise. Any advance payment paid per this subsection is an advance of the monthly capital contributions set forth in subsection 9.6. These funds shall be used by the City for capital expenditures related to Access matters including, without limitation, for equipment purchases, construction and relocation costs. These advances shall in no way be considered in lieu of franchise fees and shall not reduce in any way franchise fees owed to the City under this Franchise.

9.6 Monthly Capital Contribution

The monthly capital contribution shall not exceed $0.25 per Subscriber per month throughout the term of this Franchise. In the case of the access advance, once the Grantee recoups the full payment amount, the Grantee shall continue to collect and remit the $0.25 per Subscriber per month capital contribution to the City on a quarterly basis at the same time as franchise fees are paid. Upon forty-five (45) days written notice, the monthly amount may be adjusted, upon approval by the City Council. Grantee shall not be responsible for paying the capital contribution with respect to gratis or Bad Debt accounts. The City shall have discretion to allocate the capital contribution in accordance with applicable law. To the extent the City makes Access capital investments using City funds prior to receiving the capital advance or capital contribution funds, the City is entitled to apply the subsequent capital advance and capital contribution payments from Grantee toward such City capital investments. The City agrees that the capital advance in subsection 9.5 and capital contribution may be treated as external costs under applicable federal law. Once implemented, the City or its designee shall provide Grantee, on an annual basis, a statement showing the capital contribution account balance, the amount expended including a detailed list of purchases, and the interest earned.

The City shall dedicate the time, personnel and other resources needed to operate the Government Access Channel designated herein.

SECTION 10. GENERAL RIGHT-OF-WAY USE AND CONSTRUCTION

10.1 Right to Construct

Subject to the other provisions of this Franchise, Grantee may perform all construction in the Rights-of-Way for any facility needed for the maintenance, operation or extension of Grantee's Cable System.

10.2 Right-of-Way Meetings

Subject to receiving advance notice, Grantee will make reasonable efforts to attend and participate in meetings of the City regarding Right-of-Way issues that may impact the Cable System.

10.3 General Standard

All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. All equipment shall be durable and installed and maintained in accordance with good engineering practices and comply with applicable law.

10.4 Joint Trenching

Grantee agrees to cooperate with others to minimize adverse impacts on the Rights-of-Way through joint trenching and other arrangements.

10.5 Movement of Facilities During Emergencies

During emergencies, except those involving imminent danger to the public health, safety or welfare, the City shall provide notice to Grantee, at a designated emergency response contact number, to allow Grantee the opportunity to respond and rectify the problem without disrupting Cable Service. If after providing notice, there is no immediate response, the City may move Grantee's facilities.

10.6 One Call

The Grantee shall, at its own expense, participate in the call before you dig program required under State Law.

10.7 Permits Required

Prior to doing any work in the Right-of-Way or other public property (with the exception of installations or general maintenance that involves no construction and with no disruption to the use of the Right-of-Way or other public property), Grantee shall apply for, and obtain, in advance, appropriate permits from the City. As part of the permitting process, the City may impose such conditions as are necessary for protecting any structures in such Rights-of-Way, and for providing for the proper restoration of such Rights-of-Way and to protect the public and the continuity of pedestrian or vehicular traffic. Grantee shall pay all generally applicable fees for the requisite City permits.

10.8 Emergency Permits

In the event that emergency repairs are necessary, Grantee shall immediately notify the City of the need for such repairs. Grantee may initiate such emergency repairs, and shall apply for appropriate permits within forty-eight (48) hours after discovery of the emergency.

10.9 Submittal of Plans

No construction activities shall occur within the Rights-of-Way of the City unless plans therefor shall have been first submitted to the City.

10.10 Compliance with Applicable Codes

(A) City Codes. Grantee shall comply with all applicable City codes, including, without limitation, construction codes, building codes, the Fire Code and zoning codes and regulations.

(B) Regulations and Safety Codes. Grantee shall comply with all applicable federal, State and City safety requirements, rules, regulations, laws and practices. By way of illustration and not limitation, Grantee shall comply with the National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

10.11 Least Interference

Work in the Right-of-Way, or on other public property, shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners and residents. Grantee's Cable System shall be constructed and maintained in such a manner as not to interfere with sewers, water pipes or any other property of the City, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been laid in the Rights-of-Way by, or under, the City's authority. The Grantee's Cable System shall be located, erected and maintained so as not to endanger or interfere with the lives of Persons, or to interfere with new improvements the City may deem proper to make or to unnecessarily hinder or obstruct the free use of the Rights-of-Way or other public property, and shall not interfere with travel and use of public places by Persons during the construction, repair, operation or removal thereof. In the event of such interference, the City may require the removal or relocation of Grantee's lines, cables, equipment and other appurtenances from the property in question at Grantee's expense.

10.12 Prevent Injury/Safety

Grantee shall provide and use any equipment and facilities necessary to control and carry Grantee's signals so as to prevent injury to the City's property or property belonging to any Person. Grantee shall repair, change and improve its facilities to keep them in good repair, and safe and presentable condition. All excavations made by Grantee in the Rights-of-Way shall be properly safeguarded for the prevention of accidents.

10.13 Notice to Private Property Owners

Except in the case of an emergency involving public safety, Grantee shall give reasonable advance notice to private property owners or tenants of construction work on or adjacent to such private property.

10.14 Poles and Undergrounding Requirements

(A) If all of the wires and lines of electric and telephone service providers in any given area within the Franchise Area are now or in the future placed underground, the Grantee shall place its Cable System distribution cables underground. In any part of the Franchise Area where the wires and lines of the electric and telephone service providers are both aerial and underground, the Grantee shall have the discretion to construct, operate, and maintain all of its distribution cables, or any part thereof, aerially or underground. In areas where the electric and telephone service providers wiring is aerial, the Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation. Nothing in this subsection shall be construed to require the Grantee to construct, operate, or maintain underground any ground-mounted appurtenances such as power supplies or pedestals. Cable System equipment such as pedestals may be accompanied by landscaping and screening which, if required by the City, will meet with the approval of the City on a case by case basis. Grantee shall not erect or authorize or allow others to erect any poles within the Rights-of-Way of the City for operation of its Cable System.

(B) This Franchise does not grant, give or convey to the Grantee the right or privilege to install its facilities in any manner on poles or equipment of the City or of any other Person.

(C) The Grantee and the City recognize that situations may occur in the future where the City may desire to place its own conduit and fiber optic cable in trenches or bores opened by the Grantee. The Grantee agrees to cooperate with the City in any such construction that involves trenching or boring. The Grantee shall allow the City to lay City conduit and fiber optic cable in the Grantee's trenches and bores, provided that the City and Grantee enter into a mutually acceptable cost sharing arrangement consistent with State law. The City shall be responsible for maintaining its respective conduit and fiber optic cable, which is buried in the Grantee's trenches and bores.

10.15 Restoration of Property

(A) If damage occurs, the Grantee shall promptly notify the property owner within twenty-four (24) hours.

(B) If in connection with the construction, operation, maintenance, upgrade, repair or replacement of the Cable System, the Grantee disturbs, alters, or damages any public or private property, the Grantee agrees that it shall at its own cost and expense pay for any damage and replace and restore any such property to a condition reasonably comparable to the condition existing

immediately prior to the disturbance. Whenever Grantee disturbs or damages any Right-of-Way or other public property, Grantee shall complete the restoration work within forty-eight (48) hours or as authorized by the City's Public Works Director or designee.

(C) Grantee shall warrant any restoration work performed by or for Grantee in the Right-of-Way or on other public property for one (1) year, unless a longer period is required by the Municipal Code or any generally applicable ordinance or resolution of the City. If restoration is not satisfactorily and timely performed by the Grantee, the City may, after prior notice to the Grantee, or without notice where the disturbance or damage may create a risk to public health or safety, cause the repairs to be made and recover the reasonable cost of those repairs from the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, the Grantee shall pay the City.

10.16 Movement of Cable System Facilities

(A) Relocation at Request of the City. Upon thirty (30) days prior written notice to Grantee, the City shall have the right to require Grantee to relocate any part of the Cable System within the Rights-of-Way when the safety, health or welfare of the public requires such change, and the expense thereof shall be paid by Grantee. Should Grantee fail to remove or relocate any such facilities by the date established by the City, the City may effect such removal or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by the City due to Grantee's delay. If the City requires Grantee to relocate its facilities located within the Rights-of-Way, the City shall make a reasonable effort to provide Grantee with an alternate location within the Right-of-Way. If public funds are available to any Person using such Rights-of-Way for the purpose of defraying the cost of any of the foregoing, the Grantee may make application for such funds.

(B) In the case of relocation projects where the City hires and designates an independent contractor to accommodate and coordinate the conversion of overhead utilities within a City capital improvement project, then the Grantee shall participate in the joint trenching portion of the project and Grantee shall pay to the City Grantee's portion of the traffic control and trench costs, including excavation and other associated costs, trench bedding, and backfill commensurate with Grantee's proportionate share of trench usage. However, notwithstanding anything to the contrary set forth herein, if bids from the City's contractor for placement of Grantee's conduits and vaults/pedestals in the supplied joint trench, in the reasonable estimation of the Grantee, are not acceptable, the Grantee shall have the option to utilize contractor(s) of its choice to complete the required work. The City's contractor shall coordinate with the Grantee's contractor(s) to provide reasonable notice and time to complete the placement of the Grantee's facilities in the supplied joint trench.

(C) Nothing in this Franchise shall prevent the City from constructing any public work or capital improvement. Further, the City shall have the right to require Grantee to relocate, remove, replace, modify or disconnect Grantee's facilities and equipment located in the Rights-of-Way or on any other property of the City in the event of an emergency or when necessary to protect or further the health, safety or welfare of the general public, and such work shall be performed at Grantee's expense. Except during an emergency, the City shall provide reasonable notice to Grantee, not to be less than thirty (30) days, and allow Grantee the opportunity to perform such action. In the event of any capital improvement project exceeding $500,000 in expenditures by the City which requires the removal, replacement, modification or disconnection of Grantee's facilities or equipment, the City

shall provide at least sixty (60) days written notice to Grantee. Following notice by the City, Grantee shall relocate, remove, replace, modify or disconnect any of its facilities or equipment within any Right-of-Way, or on any other property of the City.

(D) If the Grantee fails to complete the above work within the time prescribed by the City, given the nature and extent of the work, or if it is not done to the City's reasonable satisfaction, the City may cause such work to be done and bill the reasonable cost of the work to the Grantee, including all reasonable costs and expenses incurred by the City due to Grantee's delay. In such event, the City shall not be liable for any damage to any portion of Grantee's Cable System. Within thirty (30) days of receipt of an itemized list of those costs, the Grantee shall pay the City.

10.17 Movement of Cable System Facilities for Others

(A) If any removal, replacement, modification or disconnection of the Cable System is required to accommodate the construction, operation or repair of the facilities or equipment of another City franchise holder(s), Grantee shall, after at least thirty (30) days advance written notice, take action to effect the necessary changes requested by the responsible entity, as long as the other franchise holder(s) pay for the Grantee's time and material costs associated with the project and Grantee is issued a permit for such work by the City.

(B) The Grantee shall, upon reasonable prior written request of any Subscriber, relocate its aerial distribution cable facilities underground, as long as, the Subscriber pays for the Grantee's time and material costs associated with the project and Grantee is issued a permit for such work by the City.

(C) In the event an underground conversion of cable facilities is required as part of the street improvement condition(s) of a new land use development, not associated with a City designated capital improvement project, this Franchise shall in no way limit the Grantee's right to recoup all time and material costs associated with the underground conversion of the Cable System from the Person responsible for the project.

10.18 Temporary Changes for Other Permitees

At the request of any Person holding a valid permit and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. The expense of such temporary changes must be paid by the permit holder.

10.19 Reservation of City Use of Right-of-Way

Nothing in this Franchise shall prevent the City from constructing sewers; grading, paving, repairing or altering any Right-of-Way; laying down, repairing or removing water mains; or installing conduit or fiber optic cable.

10.20 Tree Trimming

The Grantee shall have the authority to conduct minimal pruning and trimming for access to Cable System facilities in the Rights-of-Way subject to compliance with the City Code. In situations involving tree trimming activities for construction activities on its Cable System lines in the Rights-of-Way, the Grantee shall coordinate the trimming with the City per the City Code. All such

trimming shall be done at the Grantee's sole cost and expense. The Grantee shall be responsible for any damage caused by such trimming.

10.21 Inspection of Construction and Facilities

The City may inspect any of Grantee's facilities, equipment or construction within the Rights-of-Way and on other public property upon at least twenty-four (24) hours notice, or, in case of an emergency, upon demand without prior notice. If an unsafe condition is found to exist, the City, in addition to taking any other action permitted under applicable law, may order Grantee to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition by a time the City establishes. The City has the right to inspect, repair and correct the unsafe condition if Grantee fails to do so, and to reasonably charge Grantee therefor.

10.22 Stop Work

(A) On notice from the City that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as reasonably determined by the City, or in violation of the terms of any applicable permit, laws, regulations, ordinances or standards, the work may immediately be stopped by the City.

(B) The stop work order shall:

(1) Be in writing;

(2) Be given to the Person doing the work and be posted on the work site;

(3) Be sent to Grantee by overnight delivery at the address given herein;

(4) Indicate the nature of the alleged violation or unsafe condition; and

(5) Establish conditions under which work may be resumed.

10.23 Work of Contractors and Subcontractors

Grantee's contractors and subcontractors shall be licensed and bonded in accordance with the City's and State's regulations and requirements. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by it, and shall ensure that all such work is performed in compliance with this Franchise and other applicable laws, and shall be jointly and severally liable for all damages and correcting all damage caused by them. It is Grantee's responsibility to ensure that contractors, subcontractors or other Persons performing work on Grantee's behalf are familiar with the requirements of this Franchise and other applicable laws governing the work performed by them.

SECTION 11. CABLE SYSTEM ARCHITECTURE/TECHNICAL STANDARDS

11.1 Subscriber Network

(A) Prior to the effective date of this Franchise, Grantee has upgraded its Cable System to a fiber-to-the-node Cable System architecture. Fiber-optic cable was deployed from the Headend to the nodes and tying into a hybrid fiber-coaxial Cable System. Active and passive devices are capable of passing a minimum of 750 MHz. The Cable System is capable of delivering high quality signals that meet or exceed FCC technical quality standards. The Grantee shall, throughout the term of this Franchise provide additional Cable System facilities and equipment, expand Cable System channel capacity and otherwise upgrade or rebuild its Cable System as required to incorporate improvements in technology as necessary to reasonably meet the needs of the community in light of the costs thereof.

Regional Cable Services provided by Grantee from a common Headend or hub shall be deployed and made available in the City as soon as practicable and economically and technically feasible.

(B) Grantee will take prompt corrective action if it finds that any facilities or equipment on the Cable System are not operating as expected, or if it finds that facilities and equipment do not comply with the requirements of this Franchise or applicable law.

11.2 Standby Power

Grantee shall provide standby power generating capacity at the Headend and hubs of at least twenty-four (24) hours. Grantee shall maintain strategically located standby power supplies throughout the Cable System, rated for at least four (4) hours duration.

11.3 Emergency Alert

The Grantee shall provide an operating Emergency Alert System in accordance with and at the time required by the provisions of State and federal laws, including FCC regulations.

11.4 Technical Performance

The technical performance of the Cable System shall meet or exceed all applicable federal technical standards, as they may be amended from time to time, regardless of the transmission technology utilized. The City shall have the full authority permitted by applicable law to enforce compliance with these technical standards.

11.5 Cable System Performance Testing

(A) Grantee shall perform all technical tests presently or hereafter required by the FCC.

(B) Upon request, all required FCC technical performance tests may be witnessed by representatives of the City.

(C) Grantee shall maintain written records of its Cable System tests performed by or for Grantee. Copies of such test results will be provided to the City upon request.

(D) Grantee shall promptly take such corrective measures as are necessary to correct any performance deficiencies fully and to prevent their recurrence as far as possible. Grantee's failure to correct deficiencies identified through this testing process shall be a material violation of this Franchise. Sites shall be re-tested following correction.

11.6 Additional Tests

In addition to the above, where there exists other evidence which in the judgment of the City casts doubt upon the reliability or technical quality of the Cable System, after giving Grantee thirty (30) days prior written notice and a reasonable opportunity to cure, the City may retain an independent consultant to conduct an analysis of the Cable System and its performance. In conjunction with the foregoing notice and cure opportunity, the City shall also have the right and authority to require Grantee to conduct additional tests regarding the performance of the Cable System. Grantee shall fully cooperate with the City and the City's consultant in performing such testing. Following testing, the consultant's report shall include the following information:

(A) the nature of the evidence which precipitated the special tests;

(B) the Cable System component tested;

(C) the equipment used and procedures employed in testing;

(D) the results of the testing and Cable System evaluation, including a description of any problem(s) found;

(E) the method, if any, in which such problem was resolved; and

(F) any other information pertinent to said tests and analysis, which may be required.

If the test(s) indicate that the Cable System is not performing in compliance with FCC technical standards, the Grantee shall reimburse the City for all of the City's reasonable costs (including, without limitation, consultant's fees and expenses) with regard to such test(s).

SECTION 12. SERVICE EXTENSION AND SERVICE TO PUBLIC BUILDINGS

12.1 Service Availability

(A) Subject to the density provisions described in subsection 12.1(B) below and accessibility, Cable Service shall be made available in the entire Franchise Area. Areas subsequently annexed shall be provided with Cable Service within twelve (12) months.

(B) Distribution Line Extension Charges. The Grantee must make Cable Service available to every residential Dwelling Unit within the Franchise Area where the minimum density is at least twenty-five (25) Dwelling Units per strand mile in areas served by overhead facilities and sixty (60) Dwelling Units per mile in areas served by underground facilities. The Grantee may elect to provide Cable Service to areas not meeting the above density standards and charge the requesting resident(s) for the line extension on a time and material cost basis.

(C) New Developments. The City shall use its best efforts to provide the Grantee with written notice of the issuance of formal approvals for new subdivisions and/or planned developments, within the Franchise Area, requiring underground installation and/or the conversion of the Cable System as part of the approval condition(s).

(D) Extraordinary Installation Charges. All residents requesting Cable Service and living within one hundred twenty-five (125) aerial feet of existing cable distribution or trunk lines shall have the cable installed at the prevailing published installation rate. In the event a request is made for service and the residence is more than one hundred twenty-five (125) aerial feet from an existing cable distribution or trunk line, such installation shall be completed on a time and material cost basis for that portion of the service line extending beyond one hundred twenty-five (125) feet.

(E) Service to Multiple Dwelling Units. The Grantee shall provide Cable Service to Multiple Dwelling Units in accordance with this Franchise and applicable laws.

12.2 Connection of City and Other Public Facilities

Grantee shall, upon request through the designated City representative and without charge, provide a standard installation and a minimum of one outlet of Basic and Expanded Basic Cable Services (and if necessary one (1) converter) to City administrative buildings as designated by the City (whether they are owned or leased), and fire station(s), police station(s), libraries, Access facilities and K-12 public School(s). If the installation to such building does exceed one hundred twenty-five (125) aerial feet, the City or other agency agrees to pay the incremental cost of such installation in excess of one hundred twenty-five (125) aerial feet or a necessary distribution line extension of the Cable System, including the cost of such excess labor and materials. The recipient of the service will secure any necessary right of entry. The Cable Service will not be used for commercial purposes, and the outlets will not be located in jail cells or areas open to the public, except for one outlet to be located in a public lobby in City Hall that will be used by the public for viewing the Government Access Channel. The City will take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in inappropriate use, loss or damage to the Cable System. If additional outlets of Cable Service are needed in such buildings, only the Grantee is authorized to complete the Cable Service expansion to support the outlet installation(s) and the building occupant will pay the standard installation fees. No other Cable Service fees shall be owed in connection with additional outlets.

SECTION 13. FRANCHISE VIOLATIONS

13.1 Non-Material Franchise Violations

(A) If the City believes that Grantee has failed to perform any non-material obligation under this Franchise, the City shall notify Grantee in writing, stating with reasonable specificity the nature of the alleged default. Grantee shall have thirty (30) days from the receipt of such notice to:

(1) respond to the City, contesting the City's assertion that a default has occurred, and request a meeting in accordance with subsection (B), below; or

(2) cure the default; or

(3) notify the City that Grantee cannot cure the default within thirty (30) days, because of the nature of the default. In the event the default cannot be cured within thirty (30) days, Grantee shall promptly take all reasonable steps to cure the default and notify the City in writing and in detail as to the exact steps that will be taken and the projected

completion date. In such case, the City may set a meeting in accordance with subsection (B) below to determine whether additional time beyond the thirty (30) days specified above is indeed needed, and whether Grantee's proposed completion schedule and steps are reasonable.

(B) If Grantee does not cure the alleged default within the cure period stated above, or denies the default and requests a meeting in accordance with subsection (A)(1), or the City orders a meeting in accordance with subsection (A)(3), the City shall set a meeting to investigate said issues and the existence of the alleged default. The City shall notify Grantee of the meeting in writing and such meeting shall take place no less than fifteen (15) business days after Grantee's receipt of notice of the meeting. At the meeting, Grantee shall be provided an opportunity to be heard and to present evidence in its defense.

(C) If, after the meeting, the City determines that a default exists, Grantee and the City may agree on a plan and schedule to cure the default. Absent such agreement, the City shall order Grantee to correct or remedy the default or breach within thirty (30) days or within such other reasonable timeframe, beyond thirty (30) days as the City shall determine. In the event Grantee does not cure the default within such time to the City's reasonable satisfaction, the City may:

(1) Recommend the revocation of this Franchise pursuant to the procedures in subsection 13.2; or

(2) Pursue any other legal or equitable remedy available under this Franchise or applicable law.

(D) The determination as to whether a non-material violation of this Franchise has occurred shall be within the discretion of the City. Any such determination by the City must be in writing and must be based upon findings that include Grantee's submissions, provided that any such determination may be subject to appeal to the City Council or review by a court of competent jurisdiction under applicable law.

13.2 Material Franchise Violations

(A) The City may revoke this Franchise and rescind all rights and privileges associated with this Franchise in any of the following circumstances:

(1) If Grantee fails to perform any material obligation under this Franchise;

(2) If Grantee willfully fails for more than three (3) days to provide continuous and uninterrupted Cable Service;

(3) If Grantee attempts to evade any material provision of this Franchise or to practice any fraud or deceit upon the City or Subscribers;

(4) If Grantee becomes insolvent, or if there is an assignment for the benefit of Grantee's creditors; or

(5) If Grantee fails to provide the insurance or other security required by this Franchise.

(B) Prior to forfeiture or termination of the Franchise, the City shall give written notice to the Grantee of its intent to revoke the Franchise. The notice shall set forth the exact nature of the noncompliance. Grantee shall have thirty (30) days from such notice to object in writing and to state its reasons for such objection and provide any explanation. In the event the City has not received a timely and satisfactory response from Grantee, it may then seek a termination of the Franchise in accordance with this subsection.

(C) The City Council shall conduct a public hearing to determine if revocation of the Franchise is warranted.

(1) At least thirty (30) days prior to the public hearing, the City Clerk shall issue a public hearing notice that shall establish the issue(s) to be addressed in the public hearing; provide the time, date and location of the hearing; provide that the City Council shall hear any Persons interested therein; and provide that the Grantee shall be afforded fair opportunity for full participation, including the right to introduce evidence, to require the production of evidence, to be represented by counsel and to question witnesses.

(2) A verbatim transcript shall be made by a court reporter of such proceeding and the cost shall be paid by the Grantee.

(3) Within thirty (30) days after the close of the hearing, the City Council shall issue a written decision regarding the revocation and termination of the Franchise.

(D) Grantee shall be bound by the City Council's decision to revoke the Franchise unless an appeal to a court of competent jurisdiction is filed within thirty (30) days of the date of the City Council's decision.

(E) Grantee and the City shall be entitled to such relief as the court may deem appropriate.

13.3 Termination

(A) If this Franchise expires without renewal or is otherwise lawfully terminated or revoked, the City may, subject to applicable law:

(1) Require Grantee to maintain and operate its Cable System on a month-to-month basis until a new cable operator is selected; or

(2) Purchase Grantee's Cable System in accordance with federal law.

(B) The City may order the removal of the above-ground Cable System facilities and such underground facilities from the City at Grantee's sole expense within a reasonable period of time as determined by the City. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Rights-of-Way, public places

and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment and without affecting electrical or telephone wires or attachments. The indemnification, insurance provisions and letter of credit, if any, shall remain in full force and effect during the period of removal, and Grantee shall not be entitled to, and agrees not to request, compensation of any sort therefor.

(C) If Grantee fails to complete any removal required by subsection 13.3 (B) to the City's satisfaction, after written notice to Grantee, the City may cause the work to be done and Grantee shall reimburse the City for the costs and expenses incurred within thirty (30) days after receipt of an itemized list of the costs and expenses, or the City may recover the costs and expenses through the Grantee's security instruments if Grantee has not paid such amount within the foregoing thirty (30) day time period. Any costs and expenses incurred by the City regarding such removal shall be included in the monies due the City from the Grantee, including reasonable attorneys' fees, and costs and expenses for work conducted by the City staff or its agents.

13.4 Receivership

At the option of the City, subject to applicable law, this Franchise may be revoked after the appointment of a receiver or trustee to take over and conduct the business of Grantee whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless:

(A) The receivership or trusteeship is timely vacated; or

(B) The receiver or trustee has timely and fully complied with all the terms and provisions of this Franchise, and has remedied all defaults under the Franchise. Additionally, the receiver or trustee shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver or trustee assumes and agrees to be bound by each and every term, provision and limitation of this Franchise.

13.5 Alternative Remedies

No provision of this Franchise shall be deemed to bar the City from seeking appropriate judicial relief. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of either party to recover monetary damages, as allowed under applicable law, or to seek and obtain judicial enforcement by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity. The City specifically does not, by any provision of this Franchise, waive any right, immunity, limitation or protection otherwise available to the City, its officers, officials, City Council, Boards, commissions, agents, or employees under federal, State, or local law (including, for example, Section 635A of the Cable Act).

13.6 Assessment of Liquidated Damages

(A) Because it may be difficult to calculate the harm to the City in the event of a breach of this Franchise by Grantee, the parties agree to liquidated damages as a reasonable estimation of the actual damages. To the extent that the City elects to assess liquidated damages as provided in this Franchise, such damages shall be the City's sole and exclusive remedy for such breach or violation and shall not exceed a time period of one hundred eighty (180) days. Nothing in this

subsection is intended to preclude the City from exercising any other right or remedy with respect to a breach that continues past the time the City stops assessing liquidated damages for such breach.

(B) Prior to assessing any liquidated damages, the City shall follow the enforcement procedures of this Franchise that provide the Grantee proper notice and a right to cure.

(C) The City shall not assess any liquidated damages if the Grantee has cured or commenced to and completes the cure under the enforcement provisions of this Franchise. In the event Grantee fails to cure, the City may assess liquidated damages and shall inform Grantee in writing of the assessment. Grantee shall have thirty (30) days to pay the damages.

(D) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the end of the applicable cure period, including any extension of the cure period granted by the City.

(E) Grantee may appeal (by pursuing judicial relief) any assessment of liquidated damages within thirty (30) days of paying the assessment.

Pursuant to the requirements outlined herein, liquidated damages shall not exceed the following amounts: one hundred dollars ($100.00) per day for material departure from the FCC technical performance standards; one hundred dollars ($100.00) per day for failure to provide the Access Channel or any equipment related thereto which is required hereunder; one hundred dollars ($100.00) per day for each material violation of the Customer Service Standards; one hundred dollars ($100.00) per day for failure to provide reports or notices as required by this Franchise; and one hundred dollars ($100.00) per day for any material breaches or defaults not previously listed.

13.7 Effect of Abandonment

If the Grantee abandons its Cable System during the Franchise term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the City, at its option, may obtain an injunction, or operate the Cable System, or designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the City, or until the Franchise is revoked and a new franchisee is selected by the City. If the City operates the Cable System, or designates another entity to operate the Cable System, the Grantee shall reimburse the City or the City's designee, as applicable, for all reasonable costs and expenses incurred. If Grantee permanently abandons its entire Cable System (namely, for a period of one [1] year or more), then, at the City's sole discretion, such Cable System may become the property of the City, and Grantee shall then submit to the City a bill of sale and other conveyance documents, to be approved in advance by the City Attorney, transferring ownership of such property to the City.

SECTION 14. FRANCHISE RENEWAL

Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, as amended, unless the procedures or substantive protections set forth therein shall be deemed to be preempted or superseded by the provisions of any subsequent federal or State law.

SECTION 15. FRANCHISE TRANSFER

(A) Except as allowed under subsection (G), the Cable System and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger or consolidation; nor shall title thereto, either legal or equitable, or any right, interest or property therein pass to or vest in any Person without the prior written consent of the City, which consent shall not be unreasonably withheld.

(B) The Grantee shall promptly notify the City of any actual or proposed change in, or transfer of, or acquisition by any other party of control of the Grantee. The word "control" as used herein is not limited to majority stock ownership but includes actual working control in whatever manner exercised. Every change, transfer or acquisition of control of the Grantee shall make this Franchise subject to cancellation unless and until the City shall have consented thereto.

(C) The parties to the sale, transfer or change of control shall make a written request to the City for its approval of a sale, transfer or change of control and shall furnish all information required by law.

(D) The City may condition said sale, transfer or change of control upon such terms and conditions as it deems reasonably appropriate, including, for example, any adequate guarantees or other security, as allowed by applicable law. Additionally, the prospective controlling party or transferee shall effect changes as promptly as practicable in the operation of the Cable System, if any changes are necessary, to cure any violations or defaults presently in effect or ongoing.

(E) The City shall act by ordinance or resolution on the request within one hundred twenty (120) days of the request, provided it has received all information required by law, such as a complete FCC Form 394. Subject to the foregoing, if the City fails to render a final decision on the request within one hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the City agree to an extension of time.

(F) Within thirty (30) days of any transfer, sale or change of control, if approved or deemed granted by the City, Grantee shall file with the City a copy of the deed, agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee or new controlling entity. In the event of a sale or transfer of ownership, the transferee shall also file its written acceptance agreeing to be bound by all of the provisions of this Franchise. In the event of a change in control, in which the Grantee is not replaced by another entity, the Grantee will continue to be bound by all of the provisions of the Franchise and will not be required to file an additional written acceptance.

(G) Notwithstanding the foregoing, the City's consent shall not be required for a mortgage, hypothecation or an assignment of Grantee's interest in the Franchise in order to secure indebtedness or for a transfer to an intra-company Affiliate, provided that the Grantee must reasonably notify the City in advance and the Affiliate must have the requisite legal, financial and technical capability.

SECTION 16. MISCELLANEOUS PROVISIONS

16.1 Discriminatory Practices Prohibited

Throughout the term of this Franchise, Grantee shall fully comply with all equal employment and nondiscrimination provisions of applicable law.

16.2 Notices

Throughout the term of this Franchise, each party shall maintain and file with the other a local address for the service of notices by mail. All notices shall be sent to such respective address, and such notices shall be effective upon the date of mailing. At the effective date of this Franchise:

Grantee's address shall be:

Comcast of Washington IV, Inc.
4020 Auburn Way N.
Auburn, WA 98002
Attention: Director, Franchising and Government Affairs

With a copy to:

Comcast of Washington IV, Inc.
PO Box 3042
Bothell, WA 98041-3042
Attention: Franchising Department

City's address shall be:

City of Normandy Park
801 SW 174th Street
Normandy Park, WA 98166-3661
Attention: City Clerk

16.3 Cumulative Rights

Subject to applicable law, all rights and remedies given to the City by this Franchise shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to the City.

16.4 Costs to be Borne by Grantee

Grantee shall reimburse the City for all costs of publication of this Franchise, and any notices prior to any public hearing regarding this Franchise, contemporaneous with its acceptance of this Franchise.

16.5 Binding Effect

This Franchise shall be binding upon the parties hereto, their permitted successors and assigns.

16.6 Authority to Amend

In addition to police powers and subsection 3.9, this Franchise may also be amended at any time by mutual written agreement between the parties.

16.7 Governing Laws

This Franchise shall be governed, construed and enforced in accordance with federal, State and local laws and any applicable rules, regulations and orders of the FCC (as such now exist, are later amended or subsequently adopted).

16.8 Captions

The captions and headings of this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provision of this Franchise.

16.9 No Joint Venture

Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third Persons or the public in any manner which would indicate any such relationship with the other. Further, the Grantee is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City.

16.10 Cooperation

The parties recognize that it is in their mutual best interests for the Cable System to be operated as efficiently as possible. To achieve this, the parties agree to cooperate with each other in accordance with the terms and provisions of this Franchise.

16.11 Waiver

The failure of the City at any time to require performance by Grantee of any provision hereof shall in no way affect the right of the City hereafter to enforce the same, nor shall the waiver by the City of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

16.12 Severability

If any Section, subsection, paragraph or provision of this Franchise is determined to be illegal, invalid or unconstitutional by any court or agency of competent jurisdiction, such determination shall have no effect on the validity of any other Section, subsection, paragraph or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.

16.13 Entire Agreement

This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral and written negotiations between the parties.

16.14 Force Majeure

The Grantee will not be held in violation under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement relating thereto, where such noncompliance or alleged violation occurred or was caused by circumstances reasonably beyond the ability of the Grantee to

control. This includes war or riots, civil disturbances, floods or other natural catastrophes, labor stoppages or slow downs not attributable to Grantee's employees, or power outages exceeding back-up power supplies, and work delays caused by waiting for utility providers to service or monitor their utility poles to which the Grantee's Cable System is attached as well as verifiable unavailability of materials and/or qualified labor to perform the work necessary.

Grantee shall have a reasonable time, under the circumstances, to perform the affected obligation under this Franchise or to procure a substitute for such obligation which is satisfactory to the City.

If Grantee believes that a reason beyond its control has prevented or delayed its compliance with the provisions of this Franchise, Grantee shall provide documentation as reasonably required by the City to substantiate the Grantee's claim. If Grantee has not yet cured the deficiency, Grantee shall also provide the City with its proposed plan for remediation, including the timing for such cure.

16.15 Attorneys' Fees

If any action or suit arises in connection with this Franchise (excluding Franchise renewal proceedings), the court shall determine which party shall be entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith, in addition to such other relief as the court may deem proper.

16.16 Acceptance

Within sixty (60) days after the passage and approval of this Franchise by Ordinance by the City Council, and receipt of the Franchise by Grantee, this Franchise shall be accepted by Grantee by filing with the City its written acceptance of all of the terms, provisions and conditions of this Franchise. The failure of Grantee to file such an acceptance shall be deemed a rejection by Grantee, and this Franchise shall then be voidable at the discretion of the City.

IN WITNESS WHEREOF, this Franchise is signed in the name of the City of Normandy Park, Washington, this 13th day of April, 2007.

CITY OF NORMANDY PARK, WASHINGTON

By: Douglas Schulz

Title: City Manager

Attest:

By: [signature]

City Clerk

Approved as to Legal Form:

By:_____
City Attorney

Accepted and approved this 22nd day of May, 2007.

COMCAST OF WASHINGTON IV, INC.

By:_____
~~Its:~~ Leonard J. Rozek
Senior Vice President

Attest:

By:_____
~~Secretary~~ Ann Svensson